

DIRECTORS' REPORT

For the year ended 30 June 2019

Dear Shareholders,

On behalf of the Board of Directors and Management Team, we would like to welcome you all to the 43rd Annual General Meeting (AGM) of The ACME Laboratories Ltd. According to the Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules, 1987; BSEC Notification no. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 03 June 2018 and International Accounting Standards- 1 "Presentation of Financial Statements" as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), Financial Reporting Act, 2015; we have the pleasure to place herewith the Directors' Report and Auditors' Report in respect of the Financial Statements of the Company for the year ended 30 June 2019.

PROFIT AND ITS APPROPRIATION

Particulars	(BDT in million)	
	2018-19	2017-18
Net Profit after Tax	1,440.379	1,426.571
Adjustment for depreciation on revaluation surplus	83.442	85.266
Profit brought forward from previous year	4,810.519	4,039.288
Total Profit Available for appropriation	6,334.340	5,551.125
Appropriation		
Final Cash Dividend for the year 2017-18 (Comparative year 2016-17)	(740.606)	(740.606)
Closing Retained Earnings at the year- end (before proposed Dividend)	5,593.734	4,810.519
Proposed cash dividend for the year 2018-2019 @ 35%	(740.606)	(740.606)
Retained earnings after Proposed Dividend	4,853.128	4,069.913

DIVIDEND

During the year ended 30 June 2019, the Company has earned net profit before tax amounting to BDT 1,953.341 million which after provision of Income Tax stood at BDT 1,440.379 million. Considering the performance of the Company the Board of Directors has recommended 35% cash dividend i.e. BDT 3.50 per share which comes to BDT 740.606 Million subject to the approval of the Shareholders in the 43rd Annual General Meeting,

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT

Pharmaceuticals Industry is one of the success stories of Bangladesh in the last four decades. Bangladesh had to depend largely for medicines on multinational companies and imports in the 1970s and early 1980s. Now, local Companies meet almost 98 percent of domestic demand with the market size of BDT 205,118 million during 2017-2018. According to Bangladesh Association of Pharmaceutical Industries (BAPI) and Directorate General of Drug Administration (DGDA), approximately 257 licensed pharmaceutical manufacturers are operating in Bangladesh and about 150 are functional. These manufacturing companies have been meeting around 98% of local demand and exporting to more than 147 countries.

According to the industry experts, Bangladesh's pharmaceuticals sector will grow 15 percent year-on-year to reach \$5.11 billion by 2023 and the present contribution of Pharmaceutical sector to Bangladesh economy will be the highest revenue earning sector by 2025.

Bangladesh disease profile is expected to change by gradual move from acute to chronic disease. Besides, drugs purchasing

power is likely to rise with sustained growth in income as Bangladesh advances into the arena of middle income countries. With continuous double digit growth in the international domain, Bangladesh's Pharmaceutical Industry can emerge as a world leader in producing generic medicine.

The WTO-TRIPS Council, on 6 November 2015 granted the Least Developed Countries (LDCs) exemptions from Pharmaceutical patent until 2033. This is an extension of the previously granted exemption which was scheduled to expire on 31 December 2015. Bangladesh has already developed a solid Pharmaceutical manufacturing capability, can further capitalize on the opportunities created through the waiver.

Bangladesh is enjoying good number of factors as competitive advantages like large size of domestic market, available technical know-how, world class of medicine at affordable price, availability of skill technical person, population growth rate, growing income level of people and improvement in modern health-care facilities, health awareness of the mass people, contract manufacturing service and export of pharmaceutical products are major drivers for future growth in Pharmaceutical market in Bangladesh. All these factors will make the pharma industry more sustainable which logically attracts the scope for further growth in investment for expansion and development in this industry.

More than 90 percent of raw materials are imported every year which causes the outflow of the huge foreign currencies from Bangladesh. In order to address the issue, the government has already handed over 42 plots of environment friendly Active Pharmaceutical Ingredient (API) Industrial park at Gazaria, Munshiganj to 28 Drug Manufacturers. Most of the top ranking pharma companies got plots in the API Park and most of them are going to start the construction works over there at the earliest possible time.

Once the API Park is completed, Bangladeshi companies would be able to produce substantial portion of their raw materials from the units of the said API park which will reduce the reliance of imports and lead time related to import of Raw Materials. Apart from this, we understand that from the said API Park Bangladesh will be able to export substantial quantity of Raw Materials to different countries. API Park will also create job opportunity for about 25,000 unskilled and semi-skilled labourers.

COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

The amount of Cost of Goods Sold for the Financial Year 2018-19 is BDT 9,882.879 million which is 60.60% of the revenue of the Company. In the previous year the same was BDT 8,942.398 million which was 60.36% of the revenue. On the other hand, Gross Profit margin and Net Profit margin for the financial years 2018-19 are 39.40% and 8.83% respectively, with compare to the previous year the same was 39.64% and 9.63% respectively. This has happened due to unfavorable fluctuation of BDT against foreign currencies. High rate of interest and increasing of overhead cost due to inflation. The Management is trying their best to reduce the cost by using different effective cost cutting tools.

CONTINUITY OF ANY EXTRAORDINARY ACTIVITIES

During the Financial year 2018-2019, no extra ordinary activities has been occurred in the Company.



RELATED PARTY TRANSACTIONS

The Company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The Directorship of the company is mostly in common. The nature of the transaction and their relative value is shown below:

Name of the Company	Nature of Transaction	2018-2019		2017-2018	
		Value of transaction during the year	Balance as at 30 June 2019	Value of transaction during the year	Balance as at 30 June 2018
Sinha Printers Ltd.	Local Supply Received	636,827,494	(276,752,974)	550,481,583	(190,819,988)
	Provide Services & Others	316,042	-	294,650	-
ACMUNIO Int. Ltd.	Advance	-	96,479,473	-	96,479,473
	Rent on Investment Property	6,462,000	19,386,000	6,462,000	12,924,000
The ACME Agroviet & Beverages Ltd.	Local Supply	30,004,341	(7,013,439)	34,300,890	-
Kalyar Packaging Ltd.	Local Supply	118,440,490	(12,078,235)	85,935,564	(4,300,597)
Kalyar Replica Ltd.	Local Supply	13,444,733	(1,034,968)	10,237,502	(1,440,525)



A STATEMENT OF UTILIZATION OF PROCEEDS RAISED THROUGH PUBLIC ISSUES

Information as per 42nd AGM:

Considering the greater interest of the Shareholders and to meet the local and global regulatory requirement as well, the Board of Directors of the Company in its 93rd Meeting held on 2 October 2018 recommended to re-arrange the use of IPO proceeds which was duly approved by the shareholders' in its 42nd Annual General Meeting and necessary intimation to the Commission and the Exchanges. The approved re-arrangement of IPO Proceeds utilization Plan is given below:

Approved Utilization Plan of IPO Proceeds

Amount in BDT

S.L	Name of the Projects	Approved Timeline	Cost Breakdown	Approved Amount as per 42 nd AGM
1	Steroid and Hormone Project	Within June 2019	Civil Construction	334,934,878
			Machinery & Equipment	933,900,000
			Utility	353,700,000
			Warehouse	21,986,000
			Vehicle	5,000,000
			Consultancy fee	1,200,000
			Contingencies	9,870,308
			Sub Total	1,660,591,186
2	Penicillin Project	Within June 2019	Civil Construction	142,922,303
			Machinery & Equipment	79,768,602
			Utility	146,345,797
			Warehouse	21,641,545
			Vehicle	2,901,503
			Consultancy fee	1,420,250
			Contingencies	5,000,000
			Sub Total	400,000,000
3	Active Pharmaceuticals Ingredients (API)	Within June 2022	Civil Construction	355,637,304
			Machinery & Equipment	250,495,241
			Utility	-
			Warehouse	-
			Vehicle	-
			Consultancy fee	-
			Contingencies	-
			Initial Working Capital	-
Sub Total	606,132,545			
4	Repayment of Bank Borrowing	N/A		1,360,000,000
5	IPO Expenses	N/A		68,291,870
	Total			4,095,015,601



Present status of IPO proceeds as on 30 June 2019:

Among the three projects, the Company has commenced the commercial production of its state-of-the-art Penicillin and Steroid & Hormone facilities at Dhulivita, Dhamrai, Dhaka after successful completion of the trial production, with effect from 12 June 2019 and 30 June 2019 respectively.

Project wise snapshot are as follows:

Steroid and Hormone Project:

The construction work of the project was started in the year 2016 and commenced the commercial operation in the month of June 2019. The facility is five-storied building with a total area of 154,807 square feet. Different types of dosage form like Tablet, Capsule, Cream Ointment, Dry Powder Inhaler (DPI), Metered Dose Inhaler (MDI) and Liquid and Hard Gelatin Capsule will be manufactured and marketed through this Unit, in addition to that a large number of contraceptives and hormonal drugs will be produced to fill up the local, Governmental and other Institutional demand. This unit touched a new era in the field of Hormone related drugs by producing through art technology namely Containment. The said technology is also adapted first time in Bangladesh as well. It is expected that this project will contribute to boost up the revenue of the company in the near future. As such, it is emerging as another import substitute segment of healthcare sector of the country. Total Project Cost is BDT 1,832 million approximately, out of which BDT 1,660.59 million has been generated from IPO fund and rest of the amount has been incurred from the organic source of the Company.

Penicillin Project:

The Company started the construction work of the project in the year 2017 and successfully completed in the month of June 2019. The Penicillin building is situated at Dhulivita, Dhamrai, Dhaka. It is three-storied Building with a total area of 55,143 square feet. Sophisticated technology for production unit and latest Quality Control apparatus has been installed meanwhile. Different types of Penicillin products like Tablet, Capsule, Cream Ointment, Powder for Suspension (PFS), Vial for Injection and Liquid products will be manufactured and marketed through this Unit. Total Project Cost is BDT 609 million approximately, out of which BDT 400 million has been generated from IPO fund and rest of the amounts has been incurred from the organic source of the Company.

Active Pharmaceuticals Ingredients (API) Project:

Bangladesh Pharmaceutical sector has been growing on an average at 15 percent over the last couple of years and as per insider information, it is expected that the growth will be sustained in future as well, which will be eventually expanded in the domestic market as well as new export frontiers. Likewise, with the demand growth of pharmaceuticals product, the demand of API products is also increasing. Considering the demand growth of API products, the Government of Bangladesh has taken initiatives to establish The Active Pharmaceutical Ingredients (API) industrial park in Gazaria, Munshigonj with a view to facilitating a steady supply of raw materials of drugs to reduce import dependency.

The Company has got three plots comprising of 9.25 acres of land to establish the Active Pharmaceutical Ingredient (API) Park in Gazaria, Munshigonj. The construction work of the project has already been started. With the completion of API Park, Bangladesh will be able to decrease the cost of locally manufactured drugs and it will add to the cost advantage for exports. It is expected that the country can save substantial amount of import cost of raw material by producing raw material at the API Park. This will dramatically reduce the cost of production and help Bangladesh to achieve price competitiveness in Global Market. API can also be exported to other countries. Currently, Global API market stands at USD 238 billion. The Government has announced Pharmaceuticals "The product of the year 2018." This will accelerate immense opportunity for Bangladesh to export APIs to foreign countries.

It is expected that the project will be completed and commercially launched in the month of June 2022. The Company has already utilized an amount of BDT 161.83 million out of total allocated IPO fund of BDT 606.13 million up to the month of June 2019.

FINANCIAL RESULTS AFTER THE COMPANY GOES FOR INITIAL PUBLIC OFFERING (IPO)

In the year 2016, the Company listed its share with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. by issuing 50,000,000 Ordinary Shares of BDT 10 each. The Company commenced its trade with both the Exchanges from 07 June 2016 under the trade name of ACMELAB. After completion of Initial Public Offering (IPO) successfully, different financial indicators related with financial results of the Company have been increased consistently which has been more fully explained in the Page No. 45 under the head of Financial Highlights for last 5 years.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCES AND ANNUAL FINANCIAL STATEMENTS

During the financial year 2018-2019, Annual Financial Statements is almost in consonance with the Quarterly Financial Performance of the Company. As such, no significant variance has been observed between Quarterly Financial Performances and Annual Financial Statements.

REMUNERATION PAID TO THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

During the year 2018-2019, a remuneration of BDT 20,025,806 has been paid to the whole time Directors of the Company. The Company did not pay any remuneration to its Nominee and Independent Directors except sitting fees for attending the meetings of the Board of Directors and respective committees to whom they are members. A Statements regarding payment of remuneration to its Directors is as under:

Particulars	Amount in BDT	
	2018-2019	2017-2018
Directors	20,025,806	28,800,000
Nominee and Independent Directors	-	-

FAIRNESS OF THE FINANCIAL STATEMENTS

The financial statements together with the notes thereon have been drawn up in conformity with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as adopted in Bangladesh by Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994 and Securities & Exchange Rules, 1987. These statements fairly present the Company's state of affairs, the results of its operations, cash flow and changes in equity.

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code; dated: June 3, 2018, Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown on page 82-83 of the report

BOOKS OF ACCOUNTS

Proper books of accounts have been maintained by the Company as per Section 181 of Companies Act, 1994.

CONSISTENCY OF APPROPRIATE ACCOUNTING POLICIES

Accounting policies adopted by the Company have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgement. The accounting policies adopted and applied by the Company are appropriate in view of the nature of its business operations of the Company.



APPLICATION OF INTERNATIONAL ACCOUNTING STANDARDS (IAS) OR INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), Bangladesh Securities and Exchange Rules, 1987, Stock Exchanges (Listing) Regulations, 2015 and as applicable any other laws in Bangladesh, have been duly followed by the Company in preparation of the financial statements and any departure there from has been adequately disclosed.

INTERNAL CONTROL

The system of internal control is sound in design and has been effectively implemented and monitored by the Company and dully examined by the Internal and external auditors. The Company continuously give due emphasis for further improvement of internal control system, if any, can be done.

INTEREST OF MINORITY SHAREHOLDERS

As a constant policy of the Company, the management has protected Interest of Minority shareholders meticulously. The management protects interest of Minority Shareholders from abusive actions by or in the interest of, controlling shareholders acting either directly or indirectly and has system of effective means of redress in place.

GOING CONCERN

There is no doubt upon the Company's ability to continue as a going concern; accordingly, the financial statements of the Company have been prepared on going concern basis. A detail statement regarding the ability to continue as a going concern has been discussed in the Page No. 155-156

SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S OPERATING RESULTS OF THE COMPANY

There is no significant deviation occurred during the current financial year from the last year's operating results of the Company.



KEY OPERATING AND FINANCIAL DATA OF LAST PRECEDING 5 (FIVE) YEARS

A statement of key operating and financial data of last preceding 5 (five) years are as under:

Financial Highlights

For Last 5 Years

(BDT in million)

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Shareholders' Equity:					
Share Capital	2,116.02	2,116.02	2,116.02	2,116.02	1,616.02
Share premium	5,127.60	5,127.60	5,127.60	5,127.60	1,605.07
Revaluation Surplus	5,319.64	5,402.71	5,487.67	5,642.93	5,320.07
Gain/(Loss) on Marketable Securities (Unrealized)	6.94	7.85	6.23	2.25	1.82
Tax Holiday Reserve	179.46	179.46	179.46	172.25	139.86
Retained Earnings	5,593.73	4,810.52	4,039.29	3,303.42	2,689.79
Total Shareholders' Equity:	18,343.39	17,644.16	16,956.28	16,364.47	11,372.63
Non Current Liabilities	4,578.02	4,615.51	3,675.91	3,958.45	4,904.88
Total	22,921.41	22,260.54	20,632.19	20,322.92	16,277.51
Application of Fund					
Property, Plant and Equipment	23,751.66	21,105.68	18,220.23	17,240.11	16,027.23
Intangible Assets	0.08	0.12	0.16	0.20	0.25
Investment in Shares	33.88	34.89	32.41	19.86	7.12
Investment Property	-	21.34	23.10	26.19	26.19
Current Assets	12,135.98	11,462.21	11,671.33	11,603.36	7,198.98
Current Liabilities	(13,000.19)	(10,363.70)	(9,315.04)	(8,566.79)	(6,982.26)
Total	22,921.41	22,260.54	20,632.19	20,322.92	16,277.51
Financial Result					
Revenue	16,308.63	14,813.91	13,576.32	12,644.91	11,496.41
Cost of Goods Sold	9,882.88	8,942.40	8,039.83	7,770.61	7,195.00
Gross Profit	6,425.75	5,871.52	5,536.49	4,874.30	4,301.42
Profit before Taxation	1,953.34	1,954.84	2,035.55	1,402.10	1,349.43
Profit after Taxation	1,440.38	1,426.57	1,397.85	1,101.27	921.92
Change in Revenue (%)	10.09%	9.12%	7.37%	9.99%	12.51%
Change in Cost of goods sold (%)	10.52%	11.23%	3.46%	8.00%	15.35%
Change in Profit After Tax (%)	0.97%	2.05%	26.93%	19.45%	3.14%
Financial Performance					
Number of shares	211.60	211.60	211.60	211.60	161.60
Earning per share (EPS) in BDT	6.81	6.74	6.61	6.55	5.70
Current Ratio - (Times)	0.93	1.11	1.25	1.35	1.03
Net operating cash flow per share (NOCFPS) (BDT)	7.81	7.46	6.70	6.25	6.50
Net Asset Value Per Share (NAVPS) (BDT)	86.69	83.38	80.13	77.34	70.37



AN EXPLANATION ON THE REASONS IF THE ISSUER COMPANY HAS NOT DECLARED DIVIDEND (CASH OR STOCK) FOR THE YEAR

The Company always maintains Consistent Dividend Policy and has been paying Dividend constantly. During the year the Company proposed 35% Cash Dividend to its Shareholders.

BOARD'S STATEMENT TO THE EFFECT THAT NO BONUS SHARE OR STOCK DIVIDEND HAS BEEN OR SHALL BE DECLARED AS INTERIM DIVIDEND

No Bonus share or stock dividend has been declared by the Board as interim dividend during the financial year 2018-2019.

THE TOTAL NUMBER OF BOARD MEETINGS HELD DURING THE YEAR AND ATTENDANCE BY EACH DIRECTOR

The number of Board Meetings held and the attendance thereof by the Directors during the financial year 2018-2019 are mentioned below:

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Mrs. Nagina Afzal Sinha	Chairman	15	12
Mr. Mizanur Rahman Sinha	Managing Director	15	14
Dr. Jabilur Rahman Sinha	Deputy Managing Director	15	4
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	15	15
Syed Shahed Reza	Independent Director	15	14
Ms. Fouzia Haque, FCA	Independent Director	15	14
Mr. Kazi Sanaul Hoq*	Nominee Director	15	14

*Investment Corporation of Bangladesh (ICB) withdrawn the nomination of Mr. Kazi Sanaul Hoq on 9 September 2019 and nominated Mr. Md. Abul Hossain as a Nominee Director in the Board of The ACME Laboratories Ltd. in place of Mr. Kazi Sanaul Hoq at the same date. Accordingly, the Board of Directors in its 107th meeting held on 9 September 2019 inducted Mr. Md. Abul Hossain as a Director of the Company.

A REPORT ON THE PATTERN OF SHAREHOLDING AS ON 30 JUNE 2019

A report on the pattern of shareholding as on 30 June 2019 disclosing the aggregate numbers of shares (along with name-wise details) are stated below:

a. Parent or Subsidiary or Associated Companies and other related parties:

The ACME Laboratories Ltd. does not have any Parent or Subsidiary or Associated Companies as on 30 June 2019. However, other related parties do not hold any shares of the Company.

b. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their Spouses and Minor Children:

Sl No.	Name and Particulars	Designation	Number of Holdings
01.	Mrs. Nagina Afzal Sinha	Chairman	11,888,433
02.	Mr. Fahim Sinha, S/O Late Mr. Afzalur Rahman Sinha	Shareholder	9,102,279
03.	Mrs. Sabrina Juned, D/O Late Mr. Afzalur Rahman Sinha	Shareholder	9,102,613
04.	Mr. Mizanur Rahman Sinha	Managing Director	20,426,565
05.	Mrs. Jahanara Mizan Sinha	Dy. Managing Director	10,519,744
06.	Mr. Tanveer Sinha, S/O Mr. Mizanur Rahman Sinha	Shareholder	528,149
07.	Ms. Tasneem Sinha, D/O Mr. Mizanur Rahman Sinha	Shareholder	528,528
08.	Dr. Jabilur Rahman Sinha	Dy. Managing Director	4,860,696
09.	Mrs. Hasina Jabil Sinha, W/O, Dr. Jabilur Rahman Sinha	Shareholder	4,859,245
10.	Ms. Sylvana Sinha, D/O Dr. Jabilur Rahman Sinha	Shareholder	6,886,366
11.	Ms. Tanya Quader Sinha, D/O Dr. Jabilur Rahman Sinha	Shareholder	7,288,866
12.	Mr. Kazi Sanaul Hoq	Nominee Director of ICB	8,419,940
13.	Syed Shahed Reza	Independent Director	-
14.	Ms. Fouzia Haque, FCA	Independent Director	-
15.	Mr. Md. Rafiqul Islam, FCS and his Spouse including Minor Children	Company Secretary	-
16.	Mr. Md. Arshadul Kabir, FCA and his Spouse including Minor Child	Head of Finance & Accounts	-
17.	Mr. A.K.M. Moshir Rahman Khan, FCMA and his Spouse including Minor Child	Head of Internal Audit	-
18.	Mrs. Punam Shahed, Spouse of Syed Shahed Reza, Independent Director	Shareholder	75

c. Executive:

Sl. No.	Name and Particulars	Designation	Number of holding
01.	Mr. Md. Hasibur Rahman	Additional Deputy Managing Director	60,180
02.	Dr. Syed A.M. Mustafij Billah	Executive Director- Plant	-
03.	Mr. Md. Ferdous Khan	Director- Sales & Distribution	-
04.	Mr. Md. Humayun Kabir	Director - International Business	-
05.	Sheikh Maksudur Rahman	Director –API	-

d. Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)

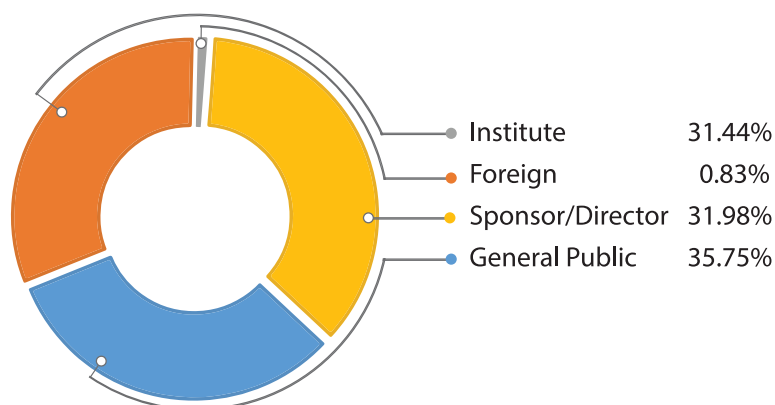
There is no shareholder who holds 10% or more shares of The ACME Laboratories Ltd.



COMPOSITION OF SHAREHOLDING POSITION

Shareholding Position as on 30 June 2019 of the Company is given below:

Name of the Shareholders	Designation	No. of Shares	% of holding
Mrs. Nagina Afzal Sinha	Chairman	11,888,433	5.618
Mr. Mizanur Rahman Sinha	Managing Director	20,426,565	9.653
Dr. Jabilur Rahman Sinha	Dy. Managing Director	4,860,696	2.297
Mrs. Jahanara Mizan Sinha	Dy. Managing Director	10,519,744	4.971
Mrs. Parveen Akhter Nasir	Sponsor Shareholder	11,561,922	5.464
Mrs. Khurshid Jahan Dabir (Mrs. Laizu Dabir)	Sponsor Shareholder	725	0.000
Investment Corporation of Bangladesh	Shareholder	8,419,940	3.979
Institute	Shareholder	66,531,331	31.442
Foreign	Shareholder	1,744,450	0.830
General Public	Shareholder	75,647,894	35.750
Total		211,601,700	100.00



IN CASE OF THE APPOINTMENT OR RE-APPOINTMENT OF A DIRECTOR, A DISCLOSURE ON THE FOLLOWING INFORMATION TO THE SHAREHOLDERS

- A brief resume of the Directors;
- Nature of his/her expertise in specific functional areas;
- Name of Companies in which the person also holds the Directorship and the Membership of Committees of the Board;

Dr. Jabilur Rahman Sinha, Director and Mr. Md. Abul Hossain, Director of the Company will be retired by Rotation at the 43rd Annual General Meeting (AGM) and being eligible they offer themselves for reappointment.

Dr. Jabilur Rahman Sinha, Deputy Managing Director

Dr. Jabilur Rahman Sinha has a B.Sc. in Chemistry from University of Dhaka, an M.Sc. in Pharmaceutical Chemistry from North Dakota State University, Fargo, North Dakota and a Ph.D. from University of Georgia, Athens, Georgia.

Since receiving his Ph.D., Dr. J. R. Sinha has done 2 years of post-doctoral work, one year in Medical College of Virginia, Virginia Commonwealth University, Richmond, Virginia and one year in University of Missouri, Columbia, Missouri, both in synthetic and analytical chemistry. Following his post-doctoral experience Dr. Sinha was involved in research and teaching

for 29 years in several academic institutions in the United States. His expertise includes teaching General, Organic and Analytical Chemistry. His outstanding evaluation by his superiors, peers, and students' year after year testifies to his success as an academican. Dr. Sinha has been an active member of American Chemical Society, Rho Chi Honor Society, and Sigma Xi Honor Society.

Dr. Sinha took 2 years of sabbatical leave from his University in the U. S. and worked full time at ACME from 1995 to 1997 and finally joined ACME permanently in 2003. He was closely involved in ACME activities during the period 1997 to 2003 including working in ACME during those summers. Given his limitations during his tenure in ACME, Dr. Sinha has provided active leadership, training, planning and supervising personnel to exceed their performance goals, sharing the fiscal, manufacturing, and marketing responsibilities.

Mr. Md. Abul Hossain, Director

Md. Abul Hossain has joined as Managing Director of Investment Corporation of Bangladesh (ICB) on 21 August, 2019. He started his career as a System Analyst/Senior Principal Officer in ICB on 19-02-1998 and served different position in the same organization. Before his joining he acted as Managing Director at Karmasangsthan Bank (KB), During his service life, he served different Banks and Financial Institutions. He served as Managing Director (Additional Charge) and Deputy Managing Director at Bangladesh Krishi Bank (BKB). In addition to that Md. Abul Hossain served as System Manager/ Deputy General Manager and General manager at Investment Corporation of Bangladesh (ICB). He completed his B.Sc (Hon's) and M.Sc degree in Statistics from Jahangirnagar University.

He has over 29 years of diversified experience in investment banking, specialized and commercial banking, Islamic banking, Asset management and ICT works. He was always instilled by the changed and research oriented, dynamic management that focused innovations, creativity and organizational increased efficiency and effectiveness, resulted in higher value addition to the organizational, stakeholders and the society as well.

During the long journey, he served 16 (sixteen) organizations with different capacities. He served as a Chairman of 03 (three) organizations before of which two are the subsidiaries of ICB (ICB Asset Management Company Ltd. & ICB Securities Trading Company Ltd.) and the others is Aziz Pipes Ltd. In addition to this, he served as a Director to a number of organizations like Islami Bank Bangladesh Ltd., The Farmers Bank Ltd. (Now Padma Bank), Nitol Insurance Company Ltd., AllTex Industries Ltd., ICB Securities Trading Company Ltd., Aramit Ltd., Kay & Que (Bangladesh) Ltd., Business Automation Ltd., DNS Satcomm Ltd. and Upload Yourself Systems Ltd.

He has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), Linde Bangladesh Ltd., GlaxoSmithKline Bangladesh Ltd. (GSK), Renata Ltd., Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Ltd., National Tea Company Ltd. (NTC), Apex Tannery Ltd., Central Depository Bangladesh Ltd. (CDBL), United Power Generation & Distribution Company Ltd. (UPGDCL), Aramit Ltd., Industrial Infrastructure Development & Finance Company Ltd. (IIDFC), Bangladesh Institute of Capital Market (BICM), Apex Footwear Ltd., Aramit Thai Aluminum Ltd., The Peninsula Chittagong Ltd., Lafarge Surma Cement Ltd., Standard Bank Securities Ltd., SBL Capital Management Ltd., Ratanpur Steel Re-rolling Mills Ltd. (RSRM), Heidelberg Cement Bangladesh Ltd., Padma Bank Ltd. and some other Directorships.

STATEMENT SIGNED BY CEO OR MD FOCUSING ON COMPANY'S POSITION AND OPERATIONS

A management's discussion and analysis signed by the CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements has been presented in the Page No. 54-57.

DECLARATION OR CERTIFICATION BY THE CEO AND THE CFO TO THE BOARD AS REQUIRED UNDER CONDITION NO. 3(3) SHALL BE DISCLOSED AS PER ANNEXURE-A

Declaration or certification by the CEO and the CFO to the Board is appended in this Annual Report under Annexure A, Page No. 82-83.



THE REPORT AS WELL AS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF THIS CODE AS REQUIRED UNDER CONDITION NO. 9.

The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 has been presented under Annexure -B and Annexure -C in the page No. 84 and 98 respectively.

APPOINTMENT OF AUDITORS

The existing auditor of the Company, M/s. Shiraz Khan Bashak & Co., Chartered Accountants (An associate firm of D.N. Gupta & Associates, Chartered Accountants, India) has carried out the Audit for the year ended 30 June 2019. M/s. Shiraz Khan Bashak & Co. Chartered Accountants, the Auditors of the Company retires at this Annual General Meeting and being eligible offered themselves for re-appointment as Auditors of the Company for the year 2019-2020 at a remuneration of BDT 5,50,000.00 (Five Lac Fifty Thousand) only which is equivalent to previous year's remuneration and is placed before the shareholders at the 43rd Annual General Meeting (AGM) for approval.

APPOINTMENT OF COMPLIANCE AUDITOR AS PER CORPORATE GOVERNANCE CODE

As per notification no. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 3 June 2018, issued by Bangladesh Securities and Exchange Commission (BSEC), M. Z. Islam & Co., Chartered Accountants, audited the compliance status of the Company for the year 2018-2019. M. Z. Islam & Co., Chartered Accountants, retire at this AGM. Being eligible, offered themselves for re-appointment as Compliance Auditors for the Financial Year 2019-2020.

The profile of the existing Audit Firm and the service performed by them was reviewed by the Board of Directors and the Audit Committee and suggested to re-appoint M. Z. Islam & Co., Chartered Accountants, as Compliance Auditors of the Company for the next financial year 2019-2020 with a remuneration of BDT 40,000 (Forty Thousand) subject to the approval of the shareholders in its 43rd AGM of the Company.



CONTRIBUTION TO NATIONAL EXCHEQUER

During the year 2018-19, your Company paid BDT 2,320.16 million to the National Exchequer in the form of Corporate Income Tax and Value Added Tax (VAT) and Import Duties.

CORPORATE GOVERNANCE

Corporate Governance is the system by which Companies are directed and controlled. Board of Directors are responsible for the governance of their Companies. The shareholders' role in governance is to appoint the Directors and the Auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the Board include setting the Company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship.



In order to enhance Corporate Governance Practice for the interest of investors and the Capital Market, Bangladesh Securities and Exchange Commission (BSEC) has imposed some further conditions and issued a revised notification vide No. BSEC/CMRRCD/2006-158/207/Admin/80; Dated: 3 June 2018. Compliance status of the above-mentioned Code by The ACME Laboratories Ltd. has been depicted in the Page No. 85-98 of the Annual Report as Annexure: C.

BOARD OF DIRECTORS

The Board of Directors is the highest governance body of the Company and represents the interests of all shareholders and stakeholders, irrespective of who elected its Directors. The Board of the Company comprises with 7 (seven) Directors, of whom 4 (four) Directors are Shareholder Directors, 1 (one) nominee Director and 2 (two) Independent Directors. Independent Directors are appointed as per provision of the Corporate Governance Codes of Bangladesh Securities and Exchange Commission (BSEC). The Board's essential role is to approve the Company's strategy and oversee compliance.

AUDIT COMMITTEE

In compliance with the condition # 5 of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 3 June 2018, the Audit Committee of the Company is functioning. The main aim of the Audit Committee is to assist the Board with regard to the strategies adopted to manage the business-related risks and continuously oversee the internal control environment of operations. Presently, the Committee is comprising with the following members:

Sl. No.	Name	Position in Audit Committee	Position in Board
01.	Ms. Fouzia Haque, FCA	Chairman	Independent Director
02.	Syed Shahed Reza	Member	Independent Director
03.	Mr. Md. Abul Hossain **	Member	Nominee Director of ICB

** Mr. Kazi Sanaul Hoq was a member of Audit Committee up to 9 September 2019. After then Mr. Md. Abul Hossain joined as a member of the Committee in place of Mr. Kazi Sanaul Hoq on 9 September 2019.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

In compliance with the condition # 6 of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/ Admin/80; dated: 3 June 2018 the Nomination and Remuneration Committee of the Company is functioning. The Nomination and Remuneration Committee is a sub-Committee of the Board, NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executives. Presently, the Committee is comprising with the following members:

Sl. No.	Name	Position in Nomination and Remuneration Committee	Position in Board
01.	Syed Shahed Reza	Chairman	Independent Director
02.	Mr. Md. Abul Hossain ***	Member	Nominee Director of ICB
03.	Mrs. Jahanara Mizan Sinha	Member	Director

***Mr. Kazi Sanaul Hoq was a member of Nomination and Remuneration Committee up to 9 September 2019. After then Mr. Md. Abul Hossain joined as a member of the Committee in place of Mr. Kazi Sanaul Hoq on 9 September 2019.

APPRECIATION

The Board of Directors take this opportunity to appreciate Shareholders, Doctors, Customers, Bankers, Suppliers, Vendors, Insurance Companies, Employees, Regulatory Bodies including Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository of Bangladesh Ltd. (CDBL), National Board of Revenue (NBR), Directorate General of Drug Administration (DGDA), Registrar of Joint Stock Companies and Firms (RJSC), Insurance Development and Regulatory Authority (IDRA) for their continued support and co-operation extended to us and sincerely look forward the same in future as well.

On behalf of the Board,



Mrs. Nagina Afzal Sinha
Chairman